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Attorneys for MBIA Insurance Corporation

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:	:	Chapter 11
	:	
RESIDENTIAL CAPITAL, LLC, <i>et al.</i> ,	:	Case No. 12-12020 (MG)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	X	

***EX PARTE* MOTION OF MBIA INSURANCE CORPORATION FOR ORDER
SHORTENING NOTICE WITH RESPECT TO MOTION FOR LEAVE**

TO THE HONORABLE JUDGE GLENN,
UNITED STATES BANKRUPTCY JUDGE:

MBIA Insurance Corporation ("MBIA"), by and through its undersigned counsel, hereby files this motion (the "Motion") for entry of an order pursuant to Rule 9006(c)(1) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), substantially in the form attached hereto as Exhibit A, shortening notice with respect to the Motion of MBIA Insurance Corporation for

Leave to Attend and Observe Expert Depositions Related to Plan Confirmation (the “Motion for Leave”). In support of the Motion, MBIA respectfully represents as follows:

RELEVANT BACKGROUND

1. MBIA has filed six proofs of claim¹ in the above-captioned chapter 11 case, each in an amount in excess of \$2.2 billion. Furthermore, MBIA is a Consenting Claimant and a Supporting Party, as those terms are defined in that certain Plan Support Agreement dated as of May 13, 2013, and a party in interest to the confirmation of the Joint Chapter 11 Plan Proposed by Residential Capital, LLC, and the Official Committee of Unsecured Creditors [Docket No. 4819-2] (the “Plan”).

2. On September 9, 2013, this Court entered the Amended Order Establishing a Discovery Protocol in Connection with Discovery Relating to Plan Confirmation [Docket No. 4974] (the “Discovery Procedures Order”). At that time, it was unclear to what extent MBIA’s claims and their priority would be at issue at the Confirmation Hearing.² Accordingly, MBIA did not opt to participate in confirmation-related discovery. On October 22, 2013, however, the Notes Trustee³ and the Ad Hoc Committee of Junior Secured Noteholders (collectively, the “JSNs”) filed an objection (“Objection”) [Docket No. 5443] to the Plan. In the Objection, the JSNs make certain arguments related to the priority of MBIA’s claims. In light of the Objection, MBIA now wishes to observe the discovery process leading up to the Confirmation Hearing in order to understand the extent to which MBIA’s claims and their priority may be at issue at the Confirmation

¹ Claim Nos. 5846 (against Homecomings Financial, LLC), 5847 (against Residential Capital, LLC), 5848 (against Residential Funding Mortgage Securities II, Inc.), 5849 (against Residential Funding Company, LLC), 5850 (against Residential Asset Mortgage Products, Inc.), and 5851 (against GMAC Mortgage, LLC).

² Capitalized terms used but not otherwise defined in the Motion shall have the meanings ascribed to them in the Plan.

³ As defined in the Objection.

Hearing. Accordingly, pursuant to Paragraph 2(f) of the Discovery Procedures Order, MBIA has filed the Motion for Leave seeking leave from this Court to observe expert depositions. If the Motion for Leave is granted, MBIA does not intend to propound discovery requests or otherwise actively participate in any aspect of the discovery process, but merely to observe.

RELIEF REQUESTED

3. By this *ex parte* Motion, MBIA seeks entry of an order pursuant to Bankruptcy Rule 9006(c)(1), substantially in the form attached hereto as Exhibit A, (i) shortening notice with respect to the hearing on the Motion for Leave; (ii) setting the Motion for Leave for a hearing on November 4, 2013 at 2:00 p.m. (prevailing Eastern Time); and (iii) setting the deadline for the service and filing of objections to the Motion for Leave as November 1, 2013 at 4:00 p.m. (prevailing Eastern Time).

JURISDICTION

4. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The statutory bases for the relief requested herein are Bankruptcy Rule 9006(c)(1) and Rules 9006-1(b) and 9077-1 of the Local Bankruptcy Rules for the Southern District of New York (the “Local Rules”).

BASIS FOR REQUESTED RELIEF

5. Bankruptcy Rule 9006(c)(1) authorizes the Court, for cause shown, to reduce the notice period otherwise required for a hearing under the Bankruptcy Rules. See Fed. R. Bankr. P. 9006(c)(1). Paragraph 14 of the Case Management Procedures [Docket No. 141] (the “Case Management Procedures”) also authorizes the Court to shorten the notice period otherwise required by the Bankruptcy Rules upon request of a party in interest. In addition, Local Rule

9077-1 provides that the Court may grant *ex parte* relief for cause shown. LBR 9077-1. Further, pursuant to Bankruptcy Rule 9007, the Court has authority to determine appropriate notice for conducting a hearing on the matters presented by the Motion for Leave. See Fed. R. Bankr. P. 9007.

6. Cause exists to grant this Motion on an *ex parte* basis and to reduce the notice period for the hearing on the Motion for Leave. Expert depositions in connection with the Confirmation Hearing are scheduled to commence on or around November 1, 2013, and to conclude on or before November 11, 2013. Unless the Motion for Leave is heard on November 4, expert depositions will have concluded before MBIA has obtained leave to attend and observe them, as the next omnibus hearing is not scheduled until November 15, 2013.

7. No party in interest will be prejudiced by expedited consideration of the Motion for Leave or by the relief requested in the Motion for Leave, as MBIA wishes only to observe, and not to participate, in the depositions.

CONSULTATION WITH THE DEBTORS AND THE COMMITTEE

8. As required by paragraph 14 of the Case Management Procedures, MBIA has advised counsel to the Debtors and the Creditors' Committee of its intent to file this Motion, and they have no objection to this Motion.

NO PRIOR REQUEST

9. No prior application for the relief requested in this Motion has been made to this Court or any other court.

NOTICE

10. Pursuant to Bankruptcy Rule 9006(c)(1), the Court may shorten time without notice. Although no notice of this Motion was required to be given, MBIA has served a copy of this Motion on the Debtors and on counsel to the Creditors' Committee.

WHEREFORE, for the reasons set forth herein, MBIA respectfully requests that the Court (i) enter an order, substantially in the form attached hereto as Exhibit A, granting the relief requested herein; and (ii) grant such other and further relief as is just and proper.

Dated: New York, New York October 30, 2013

CADWALADER, WICKERSHAM & TAFT LLP

By /s/ Mark Ellenberg

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Attorneys for MBIA Insurance Corporation

Exhibit A

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

RESIDENTIAL CAPITAL, LLC, ET AL.,

DEBTORS.

)
) Chapter 11
)
)
) Case No. 12-12020 (MG)
)
)
) Jointly Administered
)
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**ORDER SHORTENING NOTICE WITH RESPECT TO MOTION FOR
LEAVE TO ATTEND AND OBSERVE EXPERT DEPOSITIONS**

Upon the motion (the “Motion”) of MBIA Insurance Corporation (“MBIA”) for entry of an order (this “Order”) shortening notice with respect to the Motion of MBIA Insurance Corporation for Leave to Attend and Observe Expert Depositions Related to Plan Confirmation (the “Motion For Leave”); it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue of these chapter 11 cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that proper and adequate notice of the Motion and opportunity for hearing on the Motion has been provided under the circumstances; and after due deliberation thereon; and good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The hearing on the Motion for Leave is scheduled for November 4, 2013 at 2:00 p.m. (prevailing Eastern Time).
3. The deadline to object or respond to the Motion for Leave is set for November 1, 2013 at 4:00 p.m. (prevailing Eastern Time).

4. MBIA shall serve a copy of the Motion for Leave and this Order in the manner described in the Case Management Procedures [Docket No. 141].

5. This Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: October [], 2013
New York, New York

MARTIN GLENN
United States Bankruptcy Judge